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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated the 31st May
2010

INITIATION NOTIFICATION

Sub:- Initiation of anti-dumping investigation on imports of Caustic Soda originating in or exported from Thailand, Chinese Taipei and Norway.

No.14/1/2010-DGAD – Alkali Manufacturers Association of India, New Delhi have filed an application before the Designated Authority (herein after referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of injury) Rules, 1995 (herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Caustic Soda (hereinafter referred to as subject goods) originating in or exported from Thailand, Chinese Taipei and Norway (hereinafter referred to as subject countries) .

2. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of subject goods by the subject countries, injury to the domestic industry and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequential injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry

3. The application has been filed by Alkali Manufacturers Association of India, New Delhi as domestic industry. Information relevant to the present investigation has been provided on behalf of participating producers. The production of the applicant companies and that of companies expressing support for the petition, taken together, account for 64.81% of total Indian production during the POI.

The Authority has *prima facie* determined that (a) production of the participating companies and supporting companies taken together constitute a major proportion of Indian production and ; (b) the application has been made by or on behalf of the domestic industry.

4. The Authority after examining the above, *prima facie* determines that the petitioner constitutes domestic Industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules .

Product under consideration

5. The product under investigation in the present case is Sodium Hydroxide commonly known as Caustic Soda (also referred to as subject goods hereinafter), originating in or exported from Thailand, Chinese Taipei and Norway. Caustic Soda is an inorganic chemical and is soapy, strongly alkaline, odourless chemical and finds application in manufacture of pulp and paper, newsprint, viscose yarn, aluminum, cotton, laundry soaps, detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining, etc. Caustic Soda is available in two forms i.e. Lye and solids. The present investigation covers all forms of Caustic soda.

6. Caustic Soda is classified under ITC(HS) Codes 2815.11 and 2815.12. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

Like Articles

7. The applicant has claimed that the goods produced by them are "like articles" to the goods originating in or exported from the subject countries. The subject goods produced by the domestic industry and imports from subject countries are comparable, technically and commercially substitutable in terms of physical, technical specifications, functions or end-uses. Therefore, for the purpose of investigation, the Caustic Soda produced by the applicant companies is being treated as like articles of Caustic Soda imported from subject countries within the meaning of the Anti Dumping Rules.

Countries involved

8. The countries involved in the present investigation are Thailand, Chinese Taipei and Norway.

Dumping

Normal Value

9. For the purpose of normal value, the petitioner has relied upon the data relating to domestic prices of the subject goods in subject countries , sourced from Harriman Chemsult, which is a leading international consulting company in market trends and pricing in various chemicals and which publishes prices of Caustic Soda in different parts of the world.

10. For the purpose of initiation, the Authority has prima-facie considered the normal value of subject goods in subject countries as claimed by the petitioner.

Export Price

11. Petitioner have claimed export prices on the basis of transaction-wise import data in respect of subject countries obtained from IBIS. Adjustments have been claimed on ocean freight, marine insurance, THC charges, inland freight and commission to arrive at the export price at ex-factory level. The Authority considers the said data furnished by the petitioner as sufficient prima facie evidence of the net export price of the subject goods from the subject countries for the purpose of initiation.

Dumping Margin

12. There is sufficient prima facie evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices indicating prima-facie that the subject goods are being dumped by the exporters from the subject countries. Normal value and export price have been compared at ex-factory level which shows significant dumping margin in respect of subject countries.

Injury and Causal Link

13. The petitioner has furnished information on various parameters relating to material injury. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in capacity utilization and negative return on capital employed and substantial decline in profitability because of increased volume of dumped imports, price undercutting and price underselling from the subject countries. There is sufficient *prima-facie* evidence of the material injury being suffered by the domestic industry and the same being caused by dumped imports from subject countries.

Period of Investigation

14. The period of investigation (POI) is 1st October, 2008 to 31st December 2009 (15 months) for the purpose of present investigation. The injury investigation will however cover the periods April,2006–March,2007, April,2007–March,2008, 2008-09 and the POI.

Submission of information

15. The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

**The Designated Authority
(Directorate General of Anti-Dumping & Allied Duties)
Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhavan, New Delhi-110011.**

Time limit

16. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

INSPECTION OF PUBLIC FILE

17. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

18. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

19. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(P.K. Chaudhery)
The Designated Authority